

April 3, 2009

Mary F. Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Dear Ms. Rupp:

SUBJECT: Advanced Notice of Proposed Rulemaking to 12CFR Part 704

On behalf of the Board and management of Seven Seventeen Credit Union, I would like to take this opportunity to comment on the recently issued Advanced Notice of Proposed Rulemaking (ANPR) to 12 CFR Part 704. We commend the NCUA for allowing credit unions the opportunity to provide input as a part of this evaluation process. Seven Seventeen Credit Union has \$750 million in assets and 77,000 members. We serve multiple, select employee groups (approximately 1,000) in four counties in northeast Ohio. We are currently members of Corporate One Federal Credit Union and use the following services at Corporate One:

CORPORATE SERVICES:

- | | | |
|----------------------------|-------------------|------------------------|
| - Image check processing | - ACH origination | - Security safekeeping |
| - Settlement | - Wires | - Overnight investing |
| - Alliance One ATM network | - Line of credit | - Brokerage services |

We feel that Corporate One provides excellent service in these areas at very competitive rates not available through other sources. Because some of these services are unique to credit unions and because only a corporate credit union could truly understand the operations, rules and regulations of a natural-person credit union; the survival and continuity of corporate credit unions is essential to the survival and continuity of natural-person credit unions. We are of the opinion that corporate credit unions should focus on core services (i.e., investment liquidity, settlement and payment services) and should perform cost analyses of these services to assure that they are properly priced and not subsidized by other services. We also encourage NCUA to expand corporate credit unions' investment authority to provide for more diversification and less concentration in long-term, on-balance-sheet investments.

CORPORATE CREDIT UNION STRUCTURE:

With regard to the corporate credit union structure, we believe that the ultimate number of corporate credit unions is fewer than 28 and more than two or three. The combination of some corporates would provide greater efficiencies, which would benefit natural-person credit unions. Having said that, we must also realize that some redundancy provides protection in the form of

Mary Rupp, Secretary of the Board/NCUA

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"backup" services for credit unions in the case of system failures on the part of any one corporate credit union. We also believe that competition among corporate credit unions is healthy and drives innovation.

CORPORATE CREDIT UNION CAPITAL:

We believe that natural-person credit unions that use the corporate credit union system should be required to capitalize the corporates. Corporate credit unions need this equity capital (at-risk capital) in order to be adequately capitalized.

CORPORATE GOVERNANCE:

Corporate credit unions should be able to have outside, nonmember directors who can provide additional expertise to the Board. NCUA should also consider establishing minimum prerequisite skills for corporate credit union directors.

FIELDS OF MEMBERSHIP

After the number of corporate credit unions is reduced, we believe that they should be granted national fields of membership. This will not only provide for competition among the corporates, but will also provide for economies of scale.

In closing, we appreciate the opportunity to comment regarding the future of the corporate system and understand that sound and prudent judgment dictates that NCUA and the credit union industry carefully review the role and structure of the corporate system going forward. As a large credit union, we recognize that a healthy and revitalized corporate system is essential to the long-term viability of not only Seven Seventeen Credit Union and its 77,000 members, but the total credit union movement.

We appreciate NCUA keeping our views and needs in mind as the corporate system is reshaped through new regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Soukenik", is written over the typed name.

Gary Soukenik
President & CEO

GLS/la